



Needs Assessment Committee

Meeting Minutes

Thursday, May 17, 2007

**Shelby County Administration Building
Suite 850 Conference Room**

Committee members present:

Scott Fleming, Chairman
Nick Clark, Vice-Chairman
Nisha Powers, Secretary

Jay Weatherington
Commissioner David Lillard
David Pickler, Chairman SCS Board

Committee members absent:

Cato Johnson, Vice-Chairman
Patrice Robinson, President MCS
Aubrey Howard, Vice-Chairman
Commissioner Deidre Malone

Non-Voting Members Present:

Grace Hutchinson
Terry Langlois

Others Present:

Carolyn Staskiewicz, DeJong
Scott Leopold, DeJong
Louise Mercuro
Michael Goar
Maura Sullivan
Paula Lewis
Steve Hill

Lindsay Melvin
Commissioner Mike Ritz
Ethele Hillard
Dr. Bobby Webb
Shobhan Koneru
Wayne Booker
John Zeanah

Chairman Scott Fleming called the meeting to order at 8:35 a.m.

1. New Business – Approval of minutes March 29, 2007 meeting

Chairman Fleming asked if there were any questions regarding the minutes of the last meeting and there were none.

Motion: Motion was made by Jay Weatherington to approve minutes of the March 29, 2007 meeting. Second by Commissioner David Lillard.

Action: Motion was approved unanimously with no discussion.

2. Election of Committee Leadership – this item was moved to the end of the agenda.

3. Update from Memphis City Schools and Shelby County Schools of capital needs not currently part of approved capital plans and/or without identified funding sources.

Michael Goar stated that Dr. Johnson had planned a PowerPoint presentation but was unable to attend. Mr. Goar stated that there are 10 Charter schools currently and they are starting to request capital funds. The Committee needs to discuss capital needs for the Charter schools. MCS has, so far, closed 8 schools over the past couple of years and are incorporating the potential for closing additional schools in funding projections. There is currently one Charter school that is leasing the Dunn Elementary facility. They are aggressively looking at property for adaptive usage or outright selling or leasing. We will either have to super size Chimneyrock Elementary or we are going to need to build a new school in the next two years.

We anticipate in the next five years S. Cordova annexation and the looming of Dexter will impact needs for the future and will need a new high school in that area.

Commissioner Lillard asked if they would build another high school.

Mr. Goar stated without building another building the capacity of the current school would be greatly taxed. With growth, as well as annexation, we would need another site for a new high school. ECS is currently looking to build a new school and there's a possibility we would be able to buy their existing facility.

Commission Lillard asked if there are any other cost efficient alternatives to the current capital needs.

Mr. Goar stated that Douglas High and White Station Middle will be built and the MCS welcomes any feedback from anyone on renovation versus new construction.

Commissioner Lillard stated that we just want to make sure we are attempting to evaluate the construction costs per square foot.

Mr. Weatherington asked if Douglas High School is a replacement of the current facility. Mr. Goar stated that Douglas has been closed for a few years and they will demolish the old building and build a new one on the same site.

More questions regarding the construction per sq. ft. were asked and Carolyn Staskiewicz of DeJong, Inc stated that this issue would be discussed later in the agenda when the draft of the Needs Assessment Committee annual report was presented.

Mr. Goar stated that if we compare cost per sq. ft. we should use everything involved and compare apples to apples, not leaving out any details.

Commissioner Lillard stated that he really appreciates the work that the City and County schools have done so far but wants everyone to realize that the County is not in a position to issue more debt.

Mr. Clark asked MCS how does their current CIP request line up with the 5 year plan and Mr. Goar stated that this lines up totally with the 5 year facility plan. This gives guidance for challenges and opportunities every year for the next few years.

Mr. Clark asked to what degree are funds being requested for schools that may close in the next 2-3 years. Mr. Goar stated that they know some schools may close in the next 3 or so years and are not spending capital dollars at those schools.

Ms. Powers stated on the American Disability Act issues that there was a 2 year time span to accomplish those goals and asked where they are on meeting these requirements.

Mr. Goar said that MCS had recently had a visit from OCR and did an audit starting with the high schools. The audit showed that we are making progress towards meeting the requirements. If we are clearly going to close a school with ADA issues, we are asking them for more time.

Mr. Clark asked if there are any other items on the list that they would like our consultant to look at and to identify them to the Chairman. Mr. Goar agreed to get that to the Chairman.

Maura Sullivan asked if there were any questions on the SCS 5 year capital plan. Commissioner Lillard asked how this schedule agrees with the current funding plan. Ms. Sullivan stated that the items listed at the top of were currently provided by the Joint Funding Agreement. The items listed for 2010 and 2011 were unfunded at this time. Chairman Fleming asked what a good estimate for land acquisition would be and Ms. Sullivan stated approx. \$85,000 per acre.

Commissioner Lillard stated that the schools need to meet with the development community and see that they are willing to assist with schools when developing areas. Debt Service is at \$180 million per year and we just can't take on more

debt. We need to figure this out by talking to developers and getting their assistance in relocating schools.

Mr. Clark said that if land is appreciating more than 5% we are going to be paying more by waiting to acquire land for schools that are a few years out from being built. Is it best for us to acquire that property sooner by actually going wholesale vs. retail? The County and other municipalities are issuing permits to allow this development and developers are getting away with not actually having to address schools for those neighborhoods.

Mr. Weatherington said that the fee per permit was passed by the County Commission about 5 years ago and asked if this could be looked at for subdivisions on a fee per lot for schools.

Commissioner Ritz said the current conversation with the Commission is about whether there will be enough funds in the Enterprise Fund to fund future construction. They have talked about lowering the Code Enforcement employee's complement through attrition due to the funds being so low and the consultant's report shows that school enrollment is going down.

Chairman Fleming asked Louise Mercuro to address the impact fee.

Ms. Mercuro stated that Codes collects several different fees that don't go into the Enterprise fund. A development fee could be collected across the board and used for many different things and could even be put into the General Fund. An Impact Fee is totally different and would have to go directly to roads or Sheriff's Dept. of whatever.

Ms. Sullivan said that she will make a presentation at the next meeting regarding the SC 2010 projects.

Commissioner Lillard asked Grace to get with the Commission about scheduling a session for presentation of short and long term school capital needs.

Ms. Powers asked how the \$150M from the Governor will come into play and Mr. Goar stated that the impact is not for capital – it is for students.

Mr. Weatherington asked if the Shelby County Delegation could secure additional funds from the State out of their reserves to help with these needs. Commissioner Lillard said they are considering reforming the BEP formula.

4. Distribution of Final Demographic Report from Consultant

Carolyn Staskiewicz stated that they added some conclusions and private school information to the draft of the demographic report. Additional edits were made

for clarification purposes and answers to some of Commissioner Ritz' questions were included also.

Mr. Clark asked to what degree have the school systems reviewed the demographic report and Mr. Goar stated that they have already given DeJong their feedback and it was incorporated into the report.

Chairman Fleming again urged both school systems to meet regularly and keep an open dialogue between them so that each knows what's going on with the other.

Motion: Motion was made to accept the demographic study prepared by DeJong. Second by Nick Clark.

Action: approved unanimously

5. Estimate of private school enrollment data

Ms. Staskiewicz stated that they had done some research but are not coming up with the approx. 70,000 that was discussed in the previous meeting. Ms. Hutchinson and Ms. Staskiewicz will continue to work on that.

6. Discussion of NAC Annual Report Preparation

Ms. Staskiewicz went through the report and discussed each issue of the report. Chairman Fleming asked how they derived the cost per sq. ft. and she said they just basically took the cumulative expenditures to date. Chairman Fleming stated that the cost per sq. ft. should be calculated by using the same formula by both the city and county to verify correct costs.

Mr. Weatherington pointed out that the adjustment for the prevailing wage from Memphis City Schools may be too low at 11% and should be reevaluated.

Mr. Clark stated that last year's report used a prototype of schools and showed a common methodology to come up with standardized approach on how we convert or report on cost per sq. ft. We should work towards that model.

Commissioner Lillard said it is really showing future costs and needs to be a statement of current and proposed expenditures. We need to show that we have a significant need to be addressed.

Ms. Powers asked if the demographic report needs to become an appendix to the annual report. Commissioner Lillard wants to present the report to the Commission and asked that Ms. Staskiewicz have the revisions by the end of the month to distribute to the Commission. We can submit what we have to the

Commission now and can review and approve the additional information at that time by e-mail.

Ms. Sullivan gave a handout and there was brief discussion regarding costs per sq. ft. The Committee asked for clarification regarding what was included in the "construction cost" in the table she provided. Ms. Powers wanted to know if the cost included land acquisition, FFE, site development, etc. Ms. Sullivan said she would consult with Mr. Richard Holden and let the Committee know. She will provide the information to DeJong for their report as well.

7. Election of Committee Leadership

Chairman Fleming opened the floor for nominations for the position of Chairman.

Motion: Mr. Clark made motion that Nisha Powers be elected Chairman. Second by Jay Weatherington.

Action: Approved unanimously

Motion: Motion made by Jay Weatherington that Scott Fleming become Secretary, Nick Clark remain Vice-Chairman and Cato Johnson also remain Vice-Chairman. Second by Commissioner Lillard

Action: Approved unanimously

There being no further business, the meeting was adjourned at 10:15 until July 26, 2007.

Respectfully submitted,

Nisha Powers, Secretary

Date